

DAA-GRS-2015-00xx

Employee Compensation and Benefits Records (GRS 2.4)

This file contains three documents. The draft schedule describes the records proposed for inclusion in this new GRS. The appraisal memorandum provides additional background explanation and includes the appraiser's justification for the retention decisions proposed in the schedule. The crosswalk matches authorities in the draft schedule with current GRS authorities.

This schedule has not yet been entered into the Electronic Records Archives, pending finalization through agency and stakeholder review.

<i>Document</i>	<i>Page in this PDF</i>
Draft Schedule	2
Appraisal Memorandum	9
Crosswalk to current GRS	20

National Archives and Records Administration
Office of the Chief Records Officer
GRS Team
February 5, 2015

GENERAL RECORDS SCHEDULE 2.4: Employee Compensation and Benefits Records

Draft for Review Package: February 5, 2015

This schedule covers records created in the process of administering and processing agency payroll functions (items 010-061) and managing specific programs that offer employees monetary or other tangible benefits (items 070 to 141). Other programs making intangible benefits, protections, or assistance, available to employees are covered in GRS 2.3 (Employee Relations Records) and GRS 2.7 (Employee Health and Safety Records).

Many payroll records are born digital while many others are created in paper and scanned into an e-system. This schedule covers only documents determined by the payroll system to be record copies. Hard copies of documents with electronic equivalents determined to be the record copies are covered by GRS 4.3, item 010 (Hardcopy or analog input/source records).

Office of Management and Budget files reflecting personnel needs and problems of itself or other agencies are not covered by this schedule. Records created prior to January 1, 1921 must be offered to the National Archives and Records Administration (NARA) before applying disposition instructions in this schedule.

Item	Records Description	Disposition Instruction	Disposition Authority
Payroll			
010	<p>Records used to calculate payroll, direction of where to deposit paychecks, and changes to previously issued paychecks.</p> <p>Includes:</p> <ul style="list-style-type: none"> • additions to paychecks <ul style="list-style-type: none"> ○ child care subsidies ○ Internal Revenue Service form W-9 (Request for Taxpayer Identification Number) ○ other additions • deductions from paychecks <ul style="list-style-type: none"> ○ insurance ○ retirement accounts (e.g. Thrift Savings Plan, <i>my</i> Retirement Account, etc.) ○ flexible spending accounts, such as medical savings and dependent care assistance ○ union dues ○ Combined Federal Campaign ○ garnishments (IRS form 668A—Notice of Levy—and similar records) ○ Treasury bond purchases ○ other deductions • authorizations for deposits into bank accounts • changes or corrections to previous transactions either at paying agency or payroll processor <p>Supersedes:</p>	<p>Temporary. Destroy 1 year after employee separation or retirement, but longer retention is authorized if required for business use.</p>	DAA-GRS-2015-000x-0001

Item	Records Description	Disposition Instruction	Disposition Authority
	<p>GRS 2, item 15a (N1-GRS-92-4 item 15a) GRS 2, item 15b (N1-GRS-92-4 item 15b) GRS 2, item 16 (N1-GRS-92-4 item 16) GRS 2, item 17 (N1-GRS-92-4 item 17) GRS 2, item 18 (N1-GRS-92-4 item 18) GRS 2, item 23a (N1-GRS-92-4, item 23a)</p> <p>Rescinds: GRS 2, item 14a (N1-GRS-92-4 item 14a) GRS 2, item 14b (N1-GRS-92-4 item 14b) GRS 2, item 14c (N1-GRS-92-4 item 14c) GRS 2, item 23b (N1-GRS-92-4, item 23b)</p>		
020	<p>Tax withholding and adjustment documents. Employee withholding allowance certificates such as Internal Revenue Service (IRS) W-4 series forms and state equivalents, and records of fringe benefits and expense reimbursements provided employees.</p> <p>Legal citation: IRS Publication 15 (2015), (Circular E), Employer's Tax Guide, section on Recordkeeping.</p> <p>Supersedes: GRS 2, item 13a (N1-GRS-92-4 item 13a)</p>	<p>Temporary. Destroy 4 years after superseded or obsolete, but longer retention is authorized if required for business use.</p>	DAA-GRS-2015-000x-0002
030	<p>Time and attendance records. Sign-in/sign-out records, time cards, leave applications and approvals of all types (annual, sick, family medical, military service, jury duty, leave donations, etc.); overtime, compensatory, and credit time requests and approvals; premium pay authorizations; and other records documenting employees' presence at or absence from work.</p> <p>Supersedes: GRS 2, item 6a (N1-GRS-92-4 item 6a) GRS 2, item 6b (N1-GRS-92-4 item 6b) GRS 2, item 7 (N1-GRS-92-4 item 7) GRS 2, item 8 (N1-GRS-92-4 item 8)</p>	<p>Temporary. Destroy after GAO audit or when 6 years old, whichever is sooner.</p>	DAA-GRS-2015-000x-0003

Item	Records Description	Disposition Instruction	Disposition Authority
040	<p>Agency payroll record for each pay period. Aggregate records documenting payroll disbursed in each pay period: base pay, additions to and deductions from pay, and leave balances of all civilian employees within an agency or employing entity.</p> <p>Legal citation: 5 CFR 8466</p> <p>Supersedes: GRS 2, item 1b (N1-GRS-92-4 item 1b)</p> <p>Rescinds: GRS 2, item 1a (N1-GRS-92-4 item 1a) GRS 2, item 2 (N1-GRS-92-4, item 2)</p>	Temporary. Destroy when 99 years old.	DAA-GRS-2015-000x-0004
050	<p>Wage and tax statements. Agency copies of IRS form W-2 (Wage and Tax Statement, IRS form W-3 (Transmittal of Wage and Tax Statements), IRS forms in the 1099 series, and state equivalents.</p> <p>Legal citation (1): Form W-3, Purpose of Form section, states, "The IRS recommends retaining copies of these forms for four years." Agency copies of forms W-2s are attached to form W-3.</p> <p>Legal citation (2): IRS Publication 15 (2014), (Circular E), Employer's Tax Guide, section on Recordkeeping (copies of returns filed and confirmation numbers).</p> <p>Supersedes: GRS 2, item 13b (N1-GRS-92-4 item 13b) GRS 2, item 13c (N1-GRS-92-4 item 13c)</p>	Temporary. Destroy when 4 years old, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0005
060	<p>Payroll program administrative records. Records produced in administering and operating payroll functions of a general nature and not linked to an individual employee's pay.</p> <p>Administrative correspondence between agency and payroll processor, and system reports used for agency workload and or personnel management purposes.</p> <p>Supersedes: GRS 2, item 22b (N1-GRS-92-4, item 22b) GRS 2, item 24 (N1-GRS-92-4 item 24)</p>	Temporary. Destroy when 2 years old but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0006
061	<p>Payroll system reports providing fiscal information on agency payroll.</p> <p>Supersedes:</p>	Temporary. Destroy when 3 years old or after GAO audit, whichever comes sooner, but	DAA-GRS-2015-000x-0007

Item	Records Description	Disposition Instruction	Disposition Authority
	<p>GRS 2, item 22c (N1-GRS-92-4, item 22c)</p> <p>Rescinds:</p> <p>GRS 2, item 22a (N1-GRS-92-4, item 22a)</p>	longer retention is authorized if required for business use.	
Compensation and Benefits Administrative Program Records			
070	<p>Donated leave case files.</p> <p>Records documenting receipt and donation of leave for medical emergencies, including recipient applications; agency approvals or denials; medical or physician certifications; and records of leave donations, supervisor approvals, leave transfers, payroll notifications, and terminations from the program.</p> <p>Supersedes:</p> <p>GRS 1, item 37 (N1-GRS-92-5, item 1)</p>	Temporary. Destroy 1 year after termination from the program, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0008
080	<p>Wage survey files.</p> <p>Wage survey reports and data, background documents and correspondence pertaining to area wages paid for each employee class; background papers establishing need, authorization, direction, and analysis of wage surveys; development and implementation of wage schedules; and request for an authorization of specific rates (excluding authorized wage schedules and wage survey recapitulation sheets).</p> <p>Supersedes:</p> <p>GRS 1, item 38 (authority not known)</p>	Temporary. Destroy after completion of second succeeding survey, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0009
090	<p>Incentive package records.</p> <p>Records of recruitment and relocation bonuses, retention allowances, and supervisory differentials offered under the Federal Employees Pay Comparability Act.</p> <p>Supersedes:</p> <p>GRS 1, item 41 (N1-GRS-96-2)</p>	Temporary. Destroy 3 years after date of approval or completion of relevant service agreement or allowance, whichever is later, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0010
100	<p>Workers' Compensation (personnel injury compensation) records.</p> <p>Case files created under provisions of the Federal Employees' Compensation Act relating to injuries of civil employees of the U.S. Government sustained while in the performance of their duties and resulting in lost time and/or death, whether or not a workers' compensation claim was made. Includes:</p> <ul style="list-style-type: none"> forms, reports, correspondence, claims 	Temporary. Destroy 3 years after termination of compensation or when deadline for filing a claim has passed.	DAA-GRS-2015-000x-0011

Item	Records Description	Disposition Instruction	Disposition Authority	
	<ul style="list-style-type: none"> • medical and investigatory records • administrative determinations or court rulings • payment records <p>Exclusion (1): Copies filed in the Employee Medical Folder are not covered by this item.</p> <p>Exclusion (2): Records created and maintained by the Department of Labor’s Office of Workers’ Compensation are not covered by this item.</p> <p>Supersedes: GRS 1, item 31 (N1-GRS-86-4, item 32)</p>			
110	<p>Requests for health benefits under spouse equity. Applications and related papers. If applications are denied, may include denial letters, appeal letters, and court orders.</p>	<p>Successful applications, including those denied and successfully appealed.</p> <p>Rescinds: GRS 1, item 35b1 (N1-GRS-88-2 item 1b1)</p>	Transfer to appropriate retirement system after enrollment is cancelled or terminated, or annuity payment begins.	
111		<p>Denied applications.</p> <p>Supersedes: GRS 1, item 35a (N1-GRS-88-2 item 1a) GRS 1, item 35b2 (N1-GRS-88-2 item 1b2)</p>	Temporary. Destroy 1 year after original denial, denial of appeal, or final court order, whichever is appropriate.	DAA-GRS-2015-000x-0012
120	<p>Child care subsidy program records.</p>	<p>Administrative records. Records related to managing the program, including:</p> <ul style="list-style-type: none"> • determination of amount of subsidy available to employees • verification of accreditation of child care centers • tracking of funds disbursed to individual child care centers • publicity and program announcements • statistical and narrative reports • similar records not linked to individual employee participation 	Temporary. Destroy when 3 years old, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0013
121		<p>Individual case files. Case files of individual employee participation in child care subsidy programs, such as:</p> <ul style="list-style-type: none"> • applications and supporting documents • verification of eligibility (verification of employment, proof of income) 	Temporary. Destroy 2 years after employee participation concludes, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0014

Item	Records Description		Disposition Instruction	Disposition Authority
		<ul style="list-style-type: none"> • records of other subsidies received • agreements between agencies and employees • notice of approval or denial of participation in program • child care provider information 		
130	Transportation subsidy program records.	<p>Administrative records. Records related to managing the program, including:</p> <ul style="list-style-type: none"> • determination of amount of subsidy available to employees • publicity and program announcements • records of program-wide benefit delivery and receipt • statistical and narrative reports • similar records not linked to individual employee participation <p>Supersedes: GRS 9, item 7 (N1-GRS-97-2, item 7) in part</p>	Temporary. Destroy when 3 years old, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0015
131		<p>Individual case files. Case files of individual employee participation in transportation subsidy programs, such as:</p> <ul style="list-style-type: none"> • applications and supporting documents • verification of eligibility • notice of approval or denial of participation in program • documentation of participant completing training • periodic estimates of transit expenses • record of individual benefit delivery and receipt • de-enrolment documents • record of final settlement of outstanding debts by employee or government upon leaving the program <p>Supersedes: GRS 9, item 7 (N1-GRS-97-2, item 7) in part</p>	Temporary. Destroy 2 years after employee participation concludes, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0016
140	Family Medical Leave Act program records.	<p>Administrative records. Records related to managing the program, including copies of policy and guidance describing employee benefits and agency policies and practices regarding the taking of paid and unpaid leave, governing program, statistics, reports, and other records not linked to individual employee participation.</p>	Temporary. Destroy 3 years after superseded or obsolete, but longer retention is authorized if required for business use.	DAA-GRS-2015-000x-0017

Item	Records Description		Disposition Instruction	Disposition Authority
	<p>Legal citation: 29 CFR 825.500.</p>			
141	<p>Individual case files. Includes:</p> <ul style="list-style-type: none"> • records documenting employee eligibility to participate in program • records documenting notice of eligibility given to employee • records documenting notice of employee rights and responsibilities, questions from employees about those rights and responsibilities, and response to them • medical certifications • employee identification data • records of pay basis, compensation terms, normal hours per pay period, additions to or deductions from wages, total compensation normally paid • leave request, approval/non-approval • records documenting leave being taken • records of premium payments of employee benefits • records of disputes between employers and eligible employees regarding designation of leave as FMLA leave • periodic reports of employee status and intent to return to work <p>Legal citation: 29 CFR 825.500.</p>		<p>Temporary. Destroy 3 years after conclusion of leave being taken, but longer retention is authorized if required for business use.</p>	<p>DAA-GRS-2015-000x-0018</p>



NATIONAL ARCHIVES

Date: February 5, 2015
Appraiser: Galen R. Wilson, ACNR
Agency: General Records Schedules (GRS)
Subject: DAA-GRS-2015-00xx (GRS 2.4)

INTRODUCTION

Schedule Overview

Employee Compensation and Benefits Records

Additional Background Information

Few administrative functions of the Federal government have undergone a more striking change in the past 40 years than payroll processing. Not only has the process morphed from an entirely paper-based milieu to an entirely electronic existence, but electronic processing in itself has led the majority of agencies to get out of the business of payroll processing altogether. Many payroll records are of course created at all agencies of government, but the business process of translating details of civilian time and attendance into direct deposit of funds into employees' bank accounts is now handled almost entirely by four mega-systems. They are the National Payroll Branch operated by General Services Administration in Kansas City, the Federal Personnel and Payroll System operated by the Department of the Interior's National Business Center in Denver, the National Finance Center operated by the Department of Agriculture in New Orleans, and the Defense Civilian Pay System operated by the Defense Finance and Accounting Service (DFAS) in Indianapolis. In addition, DFAS operates a similar system for the Federal government's entire military payroll. There remain some agencies that continue to process payroll independently. Their records are also covered by this schedule.

This appraisal is based on site visits to four offices. The GSA National Payroll Branch (NPB), the Defense Civilian Pay System (DCPS), and the National Personnel Records Center Civilian Personnel Records facility in Valmeyer, Illinois (NPRC), were all visited in October 2014. The Administrative Office of the U.S. District Courts (AOUSC) in Washington, DC was visited in September 2014 representative of agencies that continue to operate independent payroll systems. The Courts utilize Human Resources Information Management System (HRIMS), a customized commercial-off-the-shelf product that manages and processes numerous HR records series, including time and attendance as well as payroll.

The following GRS items that most logically would have mapped to this schedule are rescinded:

GRS 1, item 35b1 (N1-GRS-88-2 item 1b1) is replaced by 2.4, item 110. Both old and new items are filing instructions rather than disposition instructions. As such, the new item cannot be entered into ERA. The old item is therefore rescinded rather than superseded.

GRS 2, item 1a (N1-GRS-92-4 item 1a) is an instruction to make sure the current record is full and correct. It is not a disposition instruction.

GRS 2, item 2 (N1-GRS-92-4, item 2) was written to give system administrators the right to periodically dispose of system data after long-term records are downloaded and safeguarded. At present, once long-term records are appropriately saved (in whatever medium and format), anything left in the electronic system is by definition disposable under 4.3, item 040, as a non-recordkeeping copy. This item is no longer necessary.

GRS 2, items 14a, 14b, and 14c (N1-GRS-92-4 items 14a, 14b, and 14c) are rescinded because since September 30, 2010, it is no longer possible to purchase paper savings bonds via payroll deduction. These records are no longer being created; records created prior to September 30, 2010 should already have been destroyed. A bullet for “Treasury bond purchase” in item 0001 of this schedule covers records documenting payroll deductions under the current TreasuryDirect system.

GRS 2, item 22a (N1-GRS-92-4, item 22a) is rescinded because system architecture has matured since this item was written in 1992. The 1992 appraisal report described the records as “all types of reports that warn agency payroll and/or personnel administrators of errors that need to be addressed, actions that are due, or reports on the operation of the system itself.” Such reports tend not to exist independently of the system. They are rather part of the system and its cyclical routine, and do not constitute a distinct records series.

GRS 2, item 23b (N1-GRS-92-4, item 23b) describes records that no longer exist. The process of instituting a change in a previous payroll record is handled electronically and produces only one “record” copy that is retained in an individual’s profile within the system. The disposal instruction of this item clearly identifies the records as extra paper copies lying around in the payroll processing office, not feeder material residing with the person or office requesting a change.

Overall Recommendation

I recommend approval of this schedule.

APPRAISAL

Item 0001 (GRS 2.4, item 010): Records used to calculate payroll, direction of where to deposit paychecks, and changes to previously issued paychecks.

These records are received sometimes electronically and sometimes in hard copy. At NPB, those received in hard copy since 2009 are scanned at Centralized Payroll. The paper is retained for up to 60 days, then destroyed. The scanned copy is the official record. Documents prior to 2009 are being retroactively scanned in order to eventually make this an entirely electronic system of record. DCPS handles incoming paper in the same fashion: receive, scan, and destroy paper within 60 days. AOUSC routinely scans any incoming paper into its HRIMS system.

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate.

Appraisal Justification

*Previously approved at temporary:

- GRS 2, item 15a (N1-GRS-92-4 item 15a)
- GRS 2, item 15b (N1-GRS-92-4 item 15b)
- GRS 2, item 16 (N1-GRS-92-4 item 16)
- GRS 2, item 17 (N1-GRS-92-4 item 17)
- GRS 2, item 18 (N1-GRS-92-4 item 18)
- GRS 2, item 23a (N1-GRS-92-4, item 23a)

*Has little or no research value. These records are administrative in nature.

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. The superseded GRS items include varying disposition instructions: “after GAO audit or 3 years, whichever is sooner,” “when superseded or after separation of employee, whichever is sooner,” “3 years after garnishment is terminated.” These retentions are all honored in the new instruction to “destroy 1 year after employee separation or retirement, but longer retention is authorized if required for business use.” This retention codifies, at long last, what has been customary payroll office practice for many years.

Appropriate retention of the records covered by this item has long been a conundrum. The appraisal memorandum for N1-GRS-92-4, which DAA-GRS-2015-000x-0001 largely replaces, acknowledged that despite the short-term retention, pay offices generally ignored instructions to dispose of these records piecemeal as they became 3 years old or were superseded. N1-GRS-92-4 was written in an era when payroll records were part paper, part electronic. Payroll master data was electronic, but the ancillary records described by this item were generally received and filed in paper. Payroll operations staff argued that the investment of time to pick through individual employees’ files removing single pieces of superseded paper was not cost-efficient: the investment was steep and the payoff non-existent. It was far cheaper to keep the records until an employee was no longer on staff, and ultimately destroy an entire folder in a single disposition action.

With the electronic revolution now nearly complete, payroll processors find even less reason to reach into employees’ electronic folders and delete superseded files. Both NPB and DCPS scoffed at the idea that the effort to remove these records would produce any conceivable benefit. DCPS referred to the disposal of these materials as “no longer relevant” in an age of terabyte servers, but conceded that moving records to off-line storage after 3 years in the active system might be useful. AOUSC said, “Space and memory are so cheap that it doesn’t pay to delete anything,” yet admitted that legacy data prior to the present software used to manage these records resides in a separate system that they seldom need to access. No one wants to go to the trouble of actively and systematically deleting these records; no one wants to invest in keeping them forever within fingertip reach. The popular choice for managing these records is to let them slip silently into limbo when moving to a new system platform.

The proposed retention period ensures that records are retained while an employee is on the payroll, and allows one year after an employee separates to accomplish any necessary corrections to previous paychecks. This retention period also reflects the reality of how these records are managed.

Media Neutrality

Approved

Item 0002 (GRS 2.4, item 020): Tax withholding and adjustment documents.

These records are closely related to those in item 0001. They are not included in that item because longer retention is required by the oversight agency, the Internal Revenue Service (IRS).

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 2, item 13a (N1-GRS-92-4 item 13a)

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. IRS Publication 15 (2015), also known as “(Circular E), Employer’s Tax Guide,” states in its section entitled Recordkeeping, “Keep all records of employment taxes for at least 4 years.” IRS records officer Daniel Bennett confirmed via email that this requirement remains in place. Like the records in item 0001, these are generally not destroyed when this retention period has been met. NPB staff noted that on occasion they have found ancient forms useful for proving to an employee challenging long-since-withheld amounts that the employee did, in fact, have an active W-4 form at the time authorizing exactly what was withheld. AOUSC cited divorce proceedings as a common occasion when these records are requested years after they could have been legally destroyed. But these are tertiary uses.

These records are likely to be retained until an employee separates because they are interfiled with records covered in item 0001. As discussed in the appraisal of item 0001, removal of individual records is not a functional use of resources. But 4-year retention complies with the retention requirement published by IRS, the owner of the process. IRS does not forbid longer retention (“*at least 4 years*”—italics added).

Media Neutrality

Approved

Item 0003 (GRS 2.4, item 030): Time and attendance records.

This appraisal will be written once the GRS Team has been able to determine whether the statute of limitations is 6 years or 3.

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 2, item 6a (N1-GRS-92-4 item 6a)

GRS 2, item 6b (N1-GRS-92-4 item 6b)

GRS 2, item 7 (N1-GRS-92-4 item 7)

GRS 2, item 8 (N1-GRS-92-4 item 8)

*Has little or no research value.

Adequacy of Proposed Retention Period. N.B. AOUSC said they never are requested to go further back than 2 years on these records.

Media Neutrality

Approved

Item 0004 (GRS 2.4, item 040): Agency payroll record for each pay period.

These records have been the subject of a confusing series description brought about by a sea-change in the records themselves. Current GRS 2, item 1b, refers to an “individual pay record, containing pay data on each employee within an agency.” This has led many a reader—this one included—to believe that payroll systems contain one master file per employee with his/her name and Social Security number on it, holding a summary of all pay received by that employee over the entire span of a career. This is indeed what these records once were. The 1957 GRS 2 covered “individual earning and service cards” (Standard Form 1127), an obvious and relatively simple last step in a paper recordkeeping process that cut paychecks individually. These very useful cards became a casualty of automation. The item for them remained intact until N1-GRS-92-4 was undertaken, by which time it was clear they had ceased to exist or were rapidly on their way out. The new item described the records as paper or microform, but they were clearly derived from “an electronic data base.” The records produced after the advent of automation were very different from SF-1127. Records linked to specific names or Social Security numbers as the primary identifier were gone, replaced by bi-weekly chunks of data covering paychecks for all employees in an agency whose only primary identifier was the date on which payroll was processed. Yet the item title in the GRS continued to reflect the bygone reality of what the records had once contained. The title and description of the new item attempts to clarify exactly what these records are.

Automation’s takeover of payroll processing produced a new career track: employee pay history reconstruction. In order to produce what the useful SF-1127 once held, it became necessary to research up to 26 record sets (bi-weekly payroll) for each year of that person’s employment. To accomplish this, a searcher must learn for what agency that person worked at what points in her/his career, identify the employing agency’s payroll processor for each of those periods, and determine where the records are now located: no small feat in itself. A team of six is employed at NPRC doing such searches to reconstruct, upon request, pay histories for individuals seeking the correct amount of retirement pay due them. OPM has a robust program seeking this information from not only NPRC but many other sources, including AOUSC whose office was visited for this appraisal.

The recordkeeping copy of this data exists in paper for very old records, in computer-output microfiche for slightly newer records, on CD-ROM for records newer yet, and even more recently strictly on line. Many of these—particularly older records—are at NPRC. Fewer and fewer of these are being retired to NPRC, however, leading one to assume that they are being retained or stored elsewhere by payroll processors.

Long-term retention of records created electronically is of concern to payroll processors. NPRC cannot store payroll records that exist only in electronic form. DCPS staff is seeking a usable long-term solution, citing that it is no longer permitted to put its records on microfiche per

Environmental Protection Agency rules. No one I interviewed at NPB or DCPS believed any feasible option is currently available for retaining electronic records for 56 years (per the current GRS). And this job proposes increasing that retention to 99 years. AOUSC stated its intention to retain its own biweekly and monthly payroll history files permanently (it has not yet submitted a schedule to NARA), but it has no plan for how to keep electronic files alive forever.

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate.

Appraisal Justification

*Previously approved as temporary:

GRS 2, item 1b (N1-GRS-92-4 item 1b)

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. To understand why 99-year retention is proposed, it is useful to understand the history of the retention period for these records. In 1957, SFs-1127 recording a running tally of an employee's payroll history (now awkwardly replaced by biweekly payroll data dumps) were not authorized for disposal. The earliest reference I could find to any specific retention period for SFs-1127 is 1973, when they were required to be kept for 56 years. The origin of this quirky 56-year retention is shrouded in mystery. An admittedly potentially apocryphal rationale was offered at DCPS, beginning with "I have heard it said..." Fifty-six years was selected on the grounds that someone would not have begun Federal service before age 18, and at the time the expected average lifespan for Americans was 74 years.

The dossier for N1-GRS-92-4 details an attempt made at the time to reduce the retention of these records from 56 to 35 years. The proposed shorter retention was based on the workload at NPRC, which reported (in 1992) that it was rarely called upon to search for payroll records dated earlier than 1960. This effort stalled out when the appraisal archivist was unable to coordinate OPM and GAO in a common understanding of whether either agency even had authority to alter the records' retention. Later in the 1990s, an effort jointly undertaken by DFAS and the Dayton FRC to reduce the retention of military pay records from 56 to 40 years also fizzled. So why did an effort that two decades ago leaned heavily to significantly shortening retention suddenly morph into retention of 40 *additional* years? The answer is a law that has lurked in the U. S. Code since 1986.

According to 5 U.S.C. 8466, the cutoff for applying for retirement benefits by a former employee or his/her annuitants is the employee's 115th birthday. Retention of payroll records for 99 years is calculated by subtracting from 115 the lowest age at which a person can apply for Federal employment. That age, according to the Office of Personnel Management website (Frequently Asked Questions / Employment / Is there an age limit for Federal Employment?) is 16. Application for benefits owing to a person who began public service at age 16 could be filed as late as 99 years later. Retention of payroll records for this same amount of time makes available the full record of the service upon which benefits are calculated.

It is easy to anticipate the objection: that little is to be gained by retaining an enormous volume of records for an unreasonable length of time in the unlikely event that a person who worked for the Federal government at age 16 might at age 115 decide (finally!) to apply for a pension based on that service. It is difficult to fault the logic of that argument. Yet it is also difficult—perhaps impossible—to fix any other retention period based on law. Shorter retention periods, including the one presently in effect, are doomed to destroy some records before the financial rights of the citizens they affect have been fully protected. It might be significant that NPRC has elected not to destroy records in its holdings already older than 56 years. (Incidentally, the 2010 Census counted 53,364 persons over 100 years of age.)

Media Neutrality

Approved

Item 0005 (GRS 2.4, item 050): Wage and tax statements.

These records are related to those in item 0002 by their origin with IRS. The reason they are not in a single item is that the records in item 0005 concern the payroll processor's interaction with employees, and the records in this item concern the payroll processor's interaction with the IRS.

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 2, item 13b (N1-GRS-92-4 item 13b)

GRS 2, item 13c (N1-GRS-92-4 item 13c)

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. Retention period is from two IRS sources. Form W-3 "Purpose of Form" section states, "The IRS recommends retaining copies of these forms for four years." IRS Publication 15, referenced above in item 000x, also applies here.

Media Neutrality

Approved

Item 0006 (GRS 2.4 item 060): Payroll program administrative records: Administrative correspondence between agency and payroll processor, and system reports used for agency workload and or personnel management purposes.

Item 0007 (GRS 2.4 item 061): Payroll program administrative records: Payroll system reports providing fiscal information on agency payroll.

Item 0006 simply merges two items in the current GRS (GRS 2, items 22b and 24) to align records of identical origin and purpose with each other. Item 0007 repeats current GRS 2, item 22c almost verbatim. Little has changed in terms of description of records in both items.

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 2, item 22b (N1-GRS-92-4, item 22b)

GRS 2, item 22c (N1-GRS-92-4, item 22c)

GRS 2, item 24 (N1-GRS-92-4 item 24)

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. Retention periods continue those in effect since 1992 for item 0007 and since at least 1973 for item 0006. These very commonplace records do not require long retention.

Media Neutrality

Approved

Item 0008 (GRS 2.4, item 070): Donated leave case files.

This series description is carried forward from the current GRS item (written 1995) with small edits offered by the National Archives' Volunteer Leave Transfer Program to reflect contemporary reality.

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 1, item 37 (N1-GRS-92-5, item 1)

*Has little or no research value. Records are administrative in nature.

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. NARA's Volunteer Leave Transfer Program coordinator concurred in the sufficiency of the disposition instruction.

Media Neutrality

Approved

Item 0009 (GRS 2.4, item 080): Wage survey files.

The Office of Personnel Management has divided up the United States map into "wage areas" reflective of local economies. For each area, OPM identifies a "lead" agency (frequently the Department of Defense) responsible for conducting wage surveys, analyzing data, and issuing wage schedules consistent with OPM policies and procedures. All agencies in a wage area pay their hourly wage employees according to the wage schedules developed by the lead agency. OPM does not conduct local wage surveys itself. These surveys are the basis for OPM's General Schedule salary location adjustment tables.¹

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 1, item 38 (authority not known)

¹ See <http://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/federal-wage-system/facts-about-the-federal-wage-system/>.

*Has little or no research value.

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. Retention until the second succeeding survey provides continuity: a new survey always has two preceding iterations to use as a basis for beginning new research.

Media Neutrality

Approved

Item 0010 (GRS 2.4, item 090): Incentive package records.

These records are case files created under the 1990 Federal Employees Pay Comparability Act (FEPCA). FEPCA was an attempt to address the need for Executive Branch pay reform as Federal civil service salaries fell behind those for comparable jobs in the private sector. FEPCA provided guidelines to achieve pay comparability between Federal and non-Federal jobs and, importantly for this item, authorized recruitment and relocation bonuses and retention allowances in special situations. The Act is also the origin of locality pay (see above, item 0009). This item updates current GRS 1, item 41 by substituting the current buzzword “incentive” for “bonus.”

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 1, item 41 (N1-GRS-96-2)

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. FEPCA authorizes activities that produce these records, but is silent on how long records documenting those activities must be retained. The retention period ensures that records are not destroyed before all contractual agreements between the government and an employee accepting incentives have been fulfilled. The disposition instruction provides a comfortable cushion for administrative reference use after all employee obligations are fulfilled.

Media Neutrality

Approved

Item 0011 (GRS 2.4, item 100): Workers’ Compensation (personnel injury compensation) records.

This item continues the disposition instruction in place for these records since 1986, but defines the records more precisely. In particular, the records are given, for the first time, the name by which they are most commonly known. The 1986 item called these “personal injury records.” This title morphed sometime between the publication of Transmittal 14 (1998) and that of Transmittal 22 (2010) to the doubtless more correct “personnel injury records.” The new title incorporating “Workers’ Compensation” emphasizes the purpose for which the records are created: to document an employee’s right to file a legal claim for benefits, not to document an employee’s general health.

Records created and maintained by the Department of Labor’s Office of Workers’ Compensation are not covered by this item because compensation for on-the-job injuries is that office’s

mission. In all other agencies of the Federal government, these records are administrative and therefore covered by this item.

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 1, item 31 (N1-GRS-86-4, item 32)

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. Retention continues that authorized by the superseded GRS item.

Media Neutrality

Approved

Item 0012 (GRS 2.4 item 111): Requests for health benefits under spouse equity: Denied applications.

Current GRS 1, items 35a, 35b1, and 35b2 cover only denied applications. This was because successful applications result in creation at the employing agency of a case file destined to someday be transferred to OPM. But even some denied applications ultimately prove successful, so GRS coverage was uneven: mentioning originally-denied-but-later-successful applications but not applications successful from the start. GRS 2.4, item 110 rectifies this omission. It is not included in this appraisal memorandum because it does not declare the records either permanent or temporary, but instead directs users where to send the records. But item 110 rounds out what an agency needs to know about how to manage the records created by this specific work process, and also provides the backdrop against which records of denied applications exist and function.

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 1, item 35a (N1-GRS-88-2 item 1a)

GRS 1, item 35b1 (N1-GRS-88-2 item 1b1)

GRS 1, item 35b2 (N1-GRS-88-2 item 1b2)

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. These records have, since first coverage in the GRS (1988), been retained for 3 years after denial. However, the Federal Employees Health Benefits Handbook section re Former Spouses (<http://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/former-spouses/>) states that these records are to be retained for one year. The GRS is therefore adjusted to follow the instruction given by the agency that owns this work process.

Media Neutrality

Approved

Item 0013 (GRS 2.4 item 120): Child care subsidy program: Administrative records.

Item 0014 (GRS 2.4 item 121): Child care subsidy program: Individual case files.

Item 0015 (GRS 2.4 item 130): Transportation subsidy program: Administrative records.

Item 0016 (GRS 2.4 item 131): Transportation subsidy program: Individual case files.

Item 0017 (GRS 2.4 item 140): Family Medical Leave Act program: Administrative records.

Item 0018 (GRS 2.4 item 141): Family Medical Leave Act program: Individual case files.

Three of these items cover general administrative records of specific programs whose benefit to employees is expressed in direct transfer of tangible resources to individuals who apply for them. The other three items cover case files of individual applicants. They are scheduled program-by-program because the records created under each deserve thorough identification. But they are appraised in concert here because all items of each type function identically.

The list of items covered in FMLA individual case files is drawn from 29 CFR 825.500(c).

Proposed Disposition

Temporary

Appropriateness of Proposed Disposition

Appropriate

Appraisal Justification

*Previously approved as temporary:

GRS 9, item 7 (N1-GRS-97-2, item 7)—transportation subsidies (items 0015 and 0016 only)

*Has little or no research value. These are administrative programs that are likely to excite research interest only at the highest level of generality: the total amount of resources expended by the government in offering these benefits to employees. That information is summarized in other agency records. It could be extrapolated from records at creating offices across government only by heroic measures.

Adequacy of Proposed Retention Period

Adequate from the standpoint of legal rights and accountability. Three-year retention for general administrative records gives agencies adequate material to ensure corporate memory in order to maintain consistency in program management. Retention of individual case files for item 0014 (child care) and item 0016 (transportation) subsidies should not require retention longer than 2 years after participation ceases because they are strictly administrative files; financial audit of monies paid by the government under these programs is possible from records retained for 6 years under GRS 1.1 item 010. Retention of records in item 0018 (FMLA case files) is directed by 19 CFR 825.500: “employers must keep the records specified by these regulations for no less than 3 years and make them available for inspection, copying, and transcription by representatives of the Department of Labor upon request.”

Media Neutrality

Approved



GALEN R. WILSON
Senior Records Analyst

New GRS 2.4				Old GRS			
GRS No.	Item No.	Retention	ERA Number/ Disposition Authority	GRS No.	Item No.	Retention	Disposition Authority
2.4	010	3 years	DAA-GRS-2015-000x-0001	2	15a	3 years	N1-GRS-92-4 item 15a
				2	15b	3 years	N1-GRS-92-4 item 15b
				2	16	Superseded or employee separation	N1-GRS-92-4 item 16
				2	17	Superseded or employee separation	N1-GRS-92-4 item 17
				2	18	3 years	N1-GRS-92-4 item 18
				2	23a	3 years	N1-GRS-92-4 item 23a
2.4	020	4 years	DAA-GRS-2015-000x-0002	2	13a	4 years	N1-GRS-92-4 item 13a
2.4	030	6 years	DAA-GRS-2015-000x-0003	2	6a	6 years	N1-GRS-92-4 item 6a
				2	6b	6 years	N1-GRS-92-4 item 6b
				2	7	6 years	N1-GRS-92-4 item 7
				2	8	6 years	N1-GRS-92-4 item 8
2.4	040	99 years	DAA-GRS-2015-000x-0004	2	1b	56 years	N1-GRS-92-4 item 1b
2.4	050	4 years	DAA-GRS-2015-000x-0005	2	13b	4 years	N1-GRS-92-4 item 13b
				2	13c	4 years	N1-GRS-92-4 item 13c
2.4	060	2 years	DAA-GRS-2015-000x-0006	2	22b	2 years	N1-GRS-92-4 item 22b
				2	24	2 years	N1-GRS-92-4 item 24
2.4	061	3 years	DAA-GRS-2015-000x-0007	2	22c	3 years	N1-GRS-92-4 item 22c
2.4	070	1 year	DAA-GRS-2015-000x-0008	1	37	1 year	N1-GRS-92-5, item 1
2.4	080	2d succeeding survey	DAA-GRS-2015-000x-0009	1	38	2d succeeding survey	Authority not known
2.4	090	3 years	DAA-GRS-2015-000x-0010	1	41	1 year	N1-GRS-96-2
2.4	100	3 years	DAA-GRS-2015-000x-0011	1	31	3 years	N1-GRS-86-4, item 32
2.4	111	1 years	DAA-GRS-2015-000x-0012	1	35a	3 years	N1-GRS-88-2 item 1a
				1	35b2	3 years	N1-GRS-88-2 item 1b2
2.4	120	3 years	DAA-GRS-2015-000x-0013	New item			
2.4	121	2 years	DAA-GRS-2015-000x-0014	New item			
2.4	130	3 years	DAA-GRS-2015-000x-0015	9	7	3 years	N1-GRS-97-2, item 7 (in part)
2.4	131	2 years	DAA-GRS-2015-000x-0016	9	7	3 years	N1-GRS-97-2, item 7 (in part)
2.4	140	3 years	DAA-GRS-2015-000x-0017	New item			
2.4	141	3 years	DAA-GRS-2015-000x-0018	New item			